

1941/34.

NEW SOUTH WALES.

BUSINESS STATISTICS - MONTHLY DIGEST.

5th March, 1941.

C O N T E N T S.

- I Business Statistics - Monthly Digest.
- II Notes on the World Wheat Situation.

World production, 1940-41.

Progress of 1941-42 crops.

World trade light. Allocation of wheat
by Britain to Spain and Greece.

Prices about maintained. Supply and price.

Operation of Australian wheat pool.

Local trade and prices.

NEW SOUTH WALES (AUSTRALIA).

MONTHLY DIGEST OF BUSINESS STATISTICS.

MARCH, 1941.

GENERAL. There has been further mobilisation of Australian resources for war. Developments in the Far East have accelerated home security measures (including extended militia training), A.R.P. plans, and arrangements for strategic distribution of foodstuffs and supplies (involving much new storage space). Boards have been set up to deal with production and distribution of coal, and to ensure the best possible use of Australian coastal shipping services. War risk insurance in Australia of Australian ships operating in Australian waters has been inaugurated to lessen the drain of funds in London. Restrictions have been increased on the importation of motor chassis from North America and on the use of petrol and of paper to conserve dollar exchange. Factories to produce war goods are coming into production and others are being established.

The economic background is generally favourable. Seasonal conditions are fully restored. Employment, at a record level, is still increasing, and industrial conditions appear more settled. Confidence has well withstood tension regarding the Far Eastern outlook. Trading appears normal. Financial conditions are strong and marked by liquidity of the banks, low interest rates, a record growth of small savings and an improved State budgetary position.

EMPLOYMENT. This year the post-Christmas seasonal decline in employment was smaller than usual, and the number of persons employed in the middle week of January (885,514) was 34,159 and 65,138 greater than in Jan., 1940 and 1939, respectively. The number of adult males registered at State Labour Exchanges as unemployed fell from 52,851 in August, 1939 to 50,851 in May, 1940 and to 28,583 in January, 1941. Enlistments in the Armed Forces and the large increase in persons in employment considered together indicate that many new workers have come from the hitherto non-wage-earning groups. A special all-Parties Parliamentary Committee is now surveying resources of labour and industrial capacity to ensure that all possible energy is applied in the industrial war effort.

There has been necessarily some increase in Government employment (7,800 between Jan., 1940 and 1941) but by far the weightiest factor in the marked wartime increase in employment has been the rapid expansion of the secondary industries. This is patent in the appended comparisons, which also reveal bare maintenance of employment in most industries providing civilian consumption needs:-

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding relief workers and men in the Armed Forces not on civil paysheets.)

Mid-week of January	All Employment.			Employed by Firms with Ten or more Employees.						
	Total Emp- loy- ment	Priv- ate Emp- loyment.	All Fac- tor- ies.	Mines.	Retail Trade.	Whole- sale Trade.	Offices & Com- merce.	Ship'g & Road Trans- port.	Person- al Ser- vices. ø	Other Indus- tries.
	000	000	000	000	000	000	000	000	000	000
1937	767.4	630.6	204.3	18.5	49.0	23.8	25.4	20.1	26.2	19.1
1939	820.4	670.4	223.1	21.4	51.3	25.4	27.1	19.5	29.3	19.5
1940	851.4	700.0	235.9	20.8	52.4	25.6	29.2	20.9	29.5	18.6
1941	885.5	727.5	254.0	20.6	52.0	25.6	29.6	22.0	30.8	17.8
Incr.in last 12 months.	4.0%	3.9%	7.7%	-0.6%	-0.8%	...	1.4%	5.3%	4.4%	- 4.3%

ø In professions, hospitals, hotels, amusements, etc. (-) denotes decrease.

SECONDARY INDUSTRIES. The number of persons working in factories in January, 1941 (254,000) was 18,100 greater than a year before and 29,300 (or 13 per cent.) greater than before the war (in August, 1939). (For other comparisons see third column of the preceding table). Australia will fill the role

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of the Empire's main arsenal East of Suez, and the supply of materials through the auspices of the Eastern Group Supply Council super-imposed upon Australia's own war and domestic needs presages continued industrial development. Even now factory employment in New South Wales is over 40 per cent. above the average of the pre-depression record year (1928-29). The Government is providing £6 million to develop merchant shipbuilding and has decided to enlist and completely equip an armoured division. Although labour troubles which were threatening are seemingly being overcome, the shortage of skilled labour is likely to become still more acute. In the following statement, which relates to employment in factories with ten or more employees, the growth in the industrial metals group (by over 25 per cent. since August, 1939) dwarfs all others, though in chemicals etc., textiles and clothing, and to some extent in food and drink factories war needs have also occasioned greater activity:-

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES, N.S.W.

Middle Week of -	Bricks, Glass, Cement &c.	Chemicals etc.	Industrial metals.	Textiles & Clothing.	Food and Drink.	Wood- work- ing &c.	Paper & Print- ing.	Rubber.
	Number of persons employed - Thousands.							
Jan., 1938	11.45	6.62	64.88	34.84	27.10	10.49	14.12	3.63
Aug., 1939	11.50	7.24	61.78	36.96	27.96	9.89	11.81	3.68
Jan., 1940 (a)	11.70	7.94	66.44	38.18	29.56	8.89	15.01	3.90
Sept., "	12.39	8.94	71.54	40.82	29.14	10.07	14.42	3.64
Jan., 1941 (b)	12.67	8.66	77.60	40.76	30.01	9.89	14.15	3.76
Increase (a) to (b)	% + 8.3	+ 9.1	+16.8	+ 6.8	+ 1.5	+ 11.2	- 5.7	- 3.6

(-) denotes decrease.

A group of 42 large factories disposed of products worth £43.09 m. in 1940, compared with £39.14 m. in 1939 and £37.86 m. in 1938. The expansion of industrial activity has caused a marked increase in the amount of gas and electricity used in Sydney and suburbs, the output of iron and steel to be maintained at capacity and the production and movement of coal to surpass post-depression levels.

	January 1937.	1938.	1939.	1940.	1941.
Gas and Electricity Used (Sydney). Index No. 1929-31 = 100.	114	119	125	136	141
Coal Moved by Govt. Railways, N.S.W. 000 tons.	563	552	567	502	620

BUILDING
INDUSTRY. Because a large volume of public building (much of it for military purposes) has gone far in offsetting tendencies toward lessened private building enterprise relatively active conditions have prevailed in this industry. However, the combined total for public and private building in 1940 (£20.16 m.) was not quite equal to the aggregate for private buildings alone in 1938 (£20.37 m.)

VALUE OF PROPOSED BUILDINGS (PUBLIC AND PRIVATE) - N.S.W.
(As far as recorded).

Quarters ended -	Sept., 1939	Dec., 1939	Mar., 1940	June, 1940	Sept., 1940	Dec., 1940
Private	4,894	3,786	3,511	4,299	4,040	4,756
Public	655	410	675	849	1,454	586
Total	5,549	4,196	4,186	5,148	5,494	5,342

Discounting the rush for private building permits precipitated by the introduction of official sanction for buildings of a value exceeding £5000 from Dec. 5, 1940, tendencies revealed in recent months are for still less provision for new city buildings, some decrease in houses and flats, a material falling-off in shops, and rather less, though still considerable, activity in the erection of factories. Comparative particulars of value of private building permits in geographical distribution are:-

VALUE OF PRIVATE BUILDING PERMITS GRANTED - NEW SOUTH WALES.

Calendar Year.	City of Sydney.	Suburbs of Sydney	Rural and Industrial Towns.	7 Semi-Urban Shires.	Total of ϕ Foregoing.	Dwellings of :x: All kinds Included.
	£000	£000	£000	£000	£000	No.
1937	2,544	8,717	4,594	801	16,656	13,785
1938	3,410	10,632	5,279	1,051	20,372	17,748
1939	1,886	10,334	4,261	1,101	17,582	15,289
1940	1,534	10,184	3,744	1,144	16,606	14,071

ϕ Excludes rural areas embracing about 27 per cent. of the population of N.S.W. for which no returns are available. :x: After deducting demolitions and conversions.

In Sydney and suburbs private permits totalled £696,000 in January, 1941 compared with £699,000 in Jan., 1940. Contracts for public buildings were £324,000 in the metropolitan area in January, 1941.

TRADE AND COMMERCE.

Details of the oversea trade of the State cannot be made public, but despite shipping difficulties Australian exports have continued at a high level, and because under the Imperial contract wool is paid for on assessment irrespective of shipment, export income is well maintained. Import restrictions, voluntary rationing, and in some instances, replacement of imported by home-produced goods, have combined in reducing imports materially below the very high level of the half-year ended June, 1940, even though much war goods and materials for war industries continued to be imported.

Business conditions reflect the buoyancy of industry. Inter-bank clearings in Sydney are greater than ever before and in Nov-Jan., 1940-41 were 17 per cent. above the pre-depression (1926-30) average. The value of goods sold at wholesale and at retail has risen only slightly although wage-earners' incomes are greater because of higher rates, overtime earnings and the larger number in employment and in point of volume it is doubtful (taking into account a moderate rise in prices) if there has been any increase at all. Real estate transactions show very little recovery from initial war reactions and are much reduced compared with those of 1938-39. Statistical comparisons are as follow:-

	Bank Clearings. (Sydney)		Wholesale Trade. (N.S.W.)		Retail Trade (Sydney)		Real Estate. N.S.W.	
	Jan. ϕ	Year.	Nov.	Jan.-Nov.	Dec.Qr.	Year.	Oct.-January. ϕ	
	Amount.		Sales.		Sales.		Sales.	Mortgages.
	£ million.		£ million.		Index No. 1931 = 100.		£ million	£ million.
1937	67.5	937.3	17.4	174.7	144	136	12.53	8.69
1938	66.5	942.4	16.9	175.9	148	143	11.03	8.65
1939	82.7	932.3	17.5	182.0	156	146	8.66	6.24
1940	90.3	1074.8	18.1	185.8	168	156	10.18	4.65

ϕ Year following.

MONEY AND BANKING.

Australian trading banks have experienced a further increase in deposits and reduction in advances. In December, 1940 the ratio of advances to deposits was 77.3 per cent., compared with 85.7 per cent. in December, 1939. The ratio of cash and Treasury bills to deposits was 23.4 per cent. in Dec., 1940 compared with 16.0 per cent. in August, 1939. The credit situation is easy, but administrative controls ensure that resources are not dissipated upon unessential purposes.

There has been an outstanding increase in small savings in New South Wales in recent months. Between July, 1940 and Jan., 1941 the increase in deposits in savings banks and the purchase of War Savings Certificates amounted to about £6½ million. reflecting greater employment, higher wage-earnings and patriotic endeavour.

1940-41.

July. Aug. Sept. Oct. Nov. Dec. Jan. Total
July-Jan.

Increase (+) or Decrease (-) In £000.

Savings Bank Deposits	+24	+ 939	+ 753	+ 741	+542	-226	+688	+3,461
War Savings Certificates (a)	+1189	+ 444	+ 293	+ 305	+225	+199	+150	+2,805
Total	+1213	+1383	+1046	+1046	+767	- 27	+838	+6,266

(a) Purchases, less repayments, at actual cost. ϕ Approximation.INVESTMENTAND INTEREST.RATES.

The Sydney Stock Exchange strengthened considerably during January, 1941 but in February, in reaction to grave official warnings regarding war dangers in the East, all the gains of that month were lost. At the end of the month average share values were tending slightly firmer again, but were about 2 per cent. below the level at the opening of the year, and still about 20 per cent. higher than at the low point in July, 1940..

VALUE OF ORDINARY COMPANY SHARES - SYDNEY STOCK EXCHANGE.

	<u>Mar.,</u> <u>1937.</u>	<u>Jan.,</u> <u>1940.</u>	<u>June,</u> <u>1940.</u>	<u>Dec.,</u> <u>1940.</u>	<u>Jan.,</u> <u>1941.</u>	<u>Feb.,</u> <u>1941.</u>
Par = 100	190(a)	182(b)	151(c)	172	174	168(?)

(a) Highest point. (b) Highest and (c) lowest points of war period.

In the bond market reaction was not so marked and the average net redemption yield on bonds of five or more years maturity remained lower than at any time except in the preceding month:-

AVERAGE NET REDEMPTION YIELD ON BONDS OF FIVE OR MORE YEARS MATURITY.

	<u>Jan.-June,</u> <u>1939.</u>	<u>Sept.,</u> <u>1939.</u>	<u>Dec.,</u> <u>1940.</u>	<u>Jan.,</u> <u>1941.</u>	<u>Feb.27,</u> <u>1941.</u>
Yield % p.a.	£3.90	£4.06	£3.20	£3.15	£3.12

Because of buoyant revenues and a lag in expenditure an early further approach to the loan market by the Government is thought unlikely.

Mortgage interest rates tend to decline slowly and in the three months ended January, 1941 were 0.5 per cent. lower for rural and 0.3 per cent. lower for urban first mortgages than in Nov.-Jan., 1939-40. At 5.0 and 5.5 per cent., respectively the rates were below the average in any year since 1938.

Building Societies. Eleven new co-operative terminating building societies were formed in New South Wales in December Qr., 1940 - partly to meet the need for housing in areas of great industrial development. But, as throughout the whole of the war period, difficulty in securing finance has retarded development of this method of facilitating home-building. The following figures trace the extent of the societies' activities:-

<u>Increase in -</u>	<u>1939.</u> <u>1st Half</u>	<u>2nd Half</u>	<u>1940.</u> <u>Mar.Qr.</u>	<u>June Qr.</u>	<u>Sept.Qr.</u>	<u>Dec.Qr.</u>
Members	986	466	109	131	- 209	587
Shares (000)	21.2	10.4	2.0	2.9	- 1.4	11.7
Advances (£000)	1,899	1,724	611	518	461	358

To Dec. 31, 1940 loans approved (and not discharged) numbered 16,004 for £11,702,000 and in 15,363 of these cases the amount actually advanced (excluding loans discharged) totalled £11,097,000.

PUBLICFINANCE.

A proposal by the Commonwealth Government to implement a system of child endowment (roughly a counterpart of that in force in N.S.W. under State laws) will make important changes in the budget of this State.

/Budgetary.....

Budgetary results in New South Wales show marked improvement and in consequence a further reduction of wages and special income tax (perhaps amounting to £1 million a year) is shortly to be made. Very satisfactory railway results and the high level of economic activity have caused a large increase in revenue, far outbalancing the increase in expenditure. Progress results to January are compared below:-

New South Wales Government.

Seven Months ended January.

		<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
Revenue	£ million	28.25	30.16	29.52	31.19	35.15
Expenditure	£ million	29.92	32.52	34.34	36.76	37.67

TRANSPORT. To ensure full utilisation of all available shipping space an Australian Coastal Shipping Control Board has been set up with power to direct voyages, classes of passengers or goods to be carried and priorities in relation to goods to be carried, etc., by all ships registered in Australia and engaged in coastal shipping. These powers will be exercised to guarantee ample space for movement of materials essential to war industries and to accelerate the creation of ample stocks at strategic points throughout Australia.

Providing against the contingency of interruption to communications by sea, extensive works in the provision of additional rolling stock, increased transshipment facilities at break-of-gauge connections, and for enlargement of track capacity of the railway systems are in progress. In New South Wales expenditure of £750,000 for new rolling stock has been approved.

The State Railways (N.S.W.) and Road Transport Services (Sydney and Newcastle) have experienced heavier traffic consequent upon the wartime acceleration of economic activity and together in the half-year ended December, 1940 had a working surplus (before meeting interest, etc. charges) of £4,914,000, compared with £3,800,000 and £2,871,000 in the corresponding half-years of 1939 and 1938, respectively.

New import quotas for Australia for motor chassis from North America for the quota year ending April 30, 1942 have been fixed at 8,896 car and 7,503 truck chassis, or only 15 and 55 per cent. of the number imported in the quota base year (ended April 30, 1936). The quota is exclusive of defence vehicles. For administrative reasons connected with defence it may be not rigorously applied immediately. It has been decided to reduce the ration of petrol for private (not business) motor users from 4,000 to 3,000 miles a year. New motor vehicle sales in January, 1941 were roughly 60 per cent. of those in Jan., 1939 and a third of those in Jan., 1938. There were in January, 1941, 9,255 fewer cars and 2,023 fewer lorries and vans on the register than in August, 1939.

	Government Railways. N.S.W.			Trams and Buses. (Sydney and Newcastle)		Motor Vehicles. (a)							
	Passen- gers.	Goods Ton Mileage.	Working Surplus. (b)	Passen- gers.	Working Surplus. (b)	New Motor Sales.	On Register.						
							Cars.	Lorries and Vans.					
						July-December.			July-December.		Jan.(c)	At 31st Jan. (c)	
						million.	£000	million	£000	No.per week.	000	000	
1937	93.6	965	3375	181.5	351	590	200	71					
1938	95.4	944	2574	186.1	297	442	213	76					
1939	89.1	1005	3478	186.5	322	333	215	77					
1940	94.5	1234	4481	198.8	433	194	207	76					

(a) Excludes cycles and trailers and defence vehicles.

(b) Excess of earnings over working expenses exclusive of interest, etc. charges

(c) Year following.

RURAL
INDUSTRIES.

The weighted average ratio of actual to normal rainfall in New South Wales in recent months was as follow:-

<u>New South Wales.</u>	<u>1940</u> <u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>1941.</u> <u>Jan.</u>
Percentage of normal rainfall.						
Sheep Districts	36	109	18	52	123	319
Wheat "	36	116	11	52	129	336
Dairying " (Coastal)	90	50	85	82	167	144

Only light rain fell in February, 1941 in most districts, but pastures have improved rapidly, wheat lands have been charged with subsoil moisture and growth of maize etc. and grasses have been luxuriant on coastal dairying districts. For rural production the outlook is now very favourable.

The 1940-41 wool clip in N.S.W. was approximately 518 m. lb. compared with the record clip of 546 m.lb. in 1939-40 and production is expected to be heavy again in 1941-42. Appraisement has proceeded with great expedition and when the main appraisements for 1940-41 ended on February 25, 1941, 1,158,884 bales of wool had been dealt with. Prices to local manufacturers of wool for export (other than through the Dept. of Supply on Empire Government military account) have been raised 25 per cent. above the basic price of wool for home consumption ($7\frac{1}{2}$ per cent. above appraised value). This will ensure fair returns to growers for such wool and place Australian and British manufacturers on a reasonably competitive basis in foreign markets. First deliveries of wool under the security reserve arrangement are reported to have arrived in the United States.

Export sales of wheat have lagged and are handicapped by the shortage of shipping space.

Butter production has increased rapidly in recent months and is now at a very high level. Additional cold storage facilities are being provided to meet needs for strategic distribution of supplies in Australia and to provide against the contingency of delay in shipment of supplies available for export to the United Kingdom.

Fruit production has been bountiful but because it is now impossible to ship fresh fruits to Britain the marketing problem is acute, and heavy waste is likely despite special efforts to increase absorption in Australia.

Exports of eggs reached a record level this season. Arrangements for the United Kingdom to take the entire surplus of the next few years, and for the drying of eggs locally to conserve shipping space are being made.

THE WORLD WHEAT SITUATION.

World wheat supplies are greater than ever before and disposal prospects are poor, but wheat prices are maintained mainly because of official control of prices. The Australian harvest is now estimated at about 83 m. bus. Northern Hemisphere new crop prospects are indefinite but unpromising in some important areas in Europe and Asia.

Trade reports indicate allocation of quantities of Canadian and Australian wheat to Spain and to Greece by the British Government. Shipping difficulties retard Australian wheat exports. Local trade is quiet and prices of wheat and flour are steady.

The Statistical Position.

Details illustrating the world statistical position of wheat, and production of wheat in 1940-41 in comparison with preceding years were supplied in B.S. No. 1941/2A, pp.6, 7.

Production 1940-41.

During the past month very little new information regarding 1940-41 harvests in oversea countries has become available. The average yield in England and Wales was given in a trade report as 31.5 bushels per acre, compared with 34.5 bushels in 1939 and production increased because of the larger area sown. Eire, Northern Ireland and Scotland also harvested relatively large crops.

The latest estimate (still subject to revision) of the Australian 1940-41 harvest issued by the Commonwealth Statistician is approximately 83.3 million bushels - the poorest since 1919-20 (46 m.bus.) and approximately only 40 per cent. of the near-record harvest of 210.3 m. bus. in 1939-40. The yield per acre of about 6.73 bushels compares with 15.8 bushels in 1939-40 and an average yield of 12.5 bushels an acre during the ten seasons ended 1939-40. Particulars for 1940-41 are:-

WHEAT PRODUCTION - AUSTRALIA, 1940-41.

	<u>N.S.W.</u>	<u>Vic.</u>	<u>S.A.</u>	<u>W.A.</u>	<u>Qld.</u>	<u>Tas.</u>	<u>A.C.T.</u>	<u>Total.</u>
Production Mill.bus.	24.5	14.0	18.0	21.0	5.6	0.18	0.02	83.3
Yield per acre "	5.65	5.42	6.92	8.23	18.54	20.00	10.00	6.73
Average yield p.a.								
Ten years ended 1939-40.	13.8	13.5	10.6	11.6	14.9	21.1	21.2	12.5

In January the Argentine Dept. of Agriculture estimated that abandonment on account of excessive rain at harvest time was 10 per cent. in the provinces of Santa Fe, Cordoba and northern Buenos Aires, and as high as 40 per cent. in some areas in Entre Rios. Santa Fe, Cordoba and Buenos Aires embrace from 80 to 90 per cent. of the entire wheatlands of Argentina. This occasioned the reduction in the harvest estimate from 290 to 250 million bushels.

Prospects, 1941-42.

Crop news from Europe must naturally be taken with reserve, but apparently there is foundation for reports coming to hand of serious flooding and of damage resulting from severe cold coincident with inadequate snow cover in the Danubian region. France and Spain suffered severely in January and last month Italian crops were subject to frost damage. Western Europe is said to have experienced "seasonable" weather. In Russia the full planned acreage of winter wheat is reported to have been sown but no information as to its condition is available. Trade advices about United States winter wheat are somewhat contradictory; excellent conditions prevailed in early stages and good snow protection was reported, but at the end of February the south western section was stated to have been affected by frost.

Reliable assessments of winter crop losses cannot be expected until after the thaw which usually occurs in March. Spring crops are only now being or about

/to be.....

to be sown. Planting in Canada takes place mainly in April. Actually over seventy-five per cent. of the world's wheat is winter sown; of all the wheat producing countries with a wheat area of over a million acres only four, Canada, the United States, Russia and Manchukuo, plant more than ten per cent. of the wheatlands with other than winter wheat. If crops fail to come through the winter satisfactorily there is a possibility of small harvests, but due to the great recuperative qualities of the wheat plant, much winter damage may be made good if favourable weather supervenes - instance the successive increases from 399 m. bus. to 589 m. bus. in estimates for United States winter wheat in 1940.

In India the area sown (32.8 m. acres) was the smallest of the last ten years, comparing with an average of 34 m. ac., which was the area sown in 1940. The wheat was sown under generally dry conditions which still prevailed early in February. Rainfall and snow cover in China has been inadequate and wheat there is in an unsatisfactory condition.

Heavy summer rains have created moisture reserves in both Australia and Argentina and have facilitated preparation of the soil for sowings for 1941-42.

National Wheat Policies.

Contrary to expectations, Canada has not yet announced specific proposals to meet the wheat situation in the Dominion. Mr. Gardiner, Minister for Agriculture, is apparently not keen for wheat acreage reduction since, in the House of Commons in December he advanced the view that by 1944-45 Canada would not have an unmanageable surplus. If the Canadian wheat acreage is to be reduced an early announcement will be necessary to make it effective this season.

A machinery measure introduced in Parliament in New South Wales in connection with the distribution of the Commonwealth grant of £320,000 for drought-affected farmers in this State provides for payment of about 4s.1d. an acre to those whose crops failed entirely and for payments in proportion to the yield per acre for all farmers who garnered not more than seven bushels an acre.

World Wheat Trade.

According to a trade report the British Government has allocated about 9.3 million bushels of its wheat stocks in Australia to Greece, about 28 m. bus. of wheat held in Canada to Spain, and about 186,000 bus. bought in Argentina also to Spain. Portugal is said to have bought over a million bushels of Canadian wheat, and Mexico, which has already taken some United States wheat, is believed to be negotiating for more. Egypt with only a moderate surplus, is experiencing keen demand from Palestine, Cyprus, Malta and Greece, and is stated by the trade to be planning some extension of wheat growing.

World shipments of wheat (as given by a trade source) have continued at rather less than five million bushels of wheat a week which is roughly only one-half the normal peace-time movement.

Prices.

Wheat futures quotations in Chicago are supported by the limited amount of spot wheat owing to the large proportion of supplies sealed under Government loan. May futures averaged 86 cents a bushel in December, 1940 and January, 1941 but were below 80 cents from Feb. 13 to 19 and were at 83½ cents a bushel on March 1, 1941. Because of the controlled market prices have varied little in Winnipeg but have also firmed there during the last week or so. On March 1, 1941 quotations were 17 cents a bushel lower in Chicago and 11 cents a bushel lower in Winnipeg than on March 1, 1940.

A feature of quotations on the London Baltic Exchange (which are firm) is the wide spread in prices. Between Canadian and Argentine wheat there is a difference of 12s.6d. a quarter compared with 4s.9d. a qr. in March, 1939 and over the same interval the premium for Australian over Argentine wheat has increased from 1s.9d. to 7s. a quarter.

PRICES OF WHEAT PARCELS - LONDON BAL TIC EXCHANGE.

	<u>Feb.,</u> <u>1939.</u>	<u>Jan.,</u> <u>1940.</u>	<u>Dec.,</u> <u>1940.</u>	<u>Jan.,</u> <u>1941.</u>	<u>Feb.,</u> <u>1941.</u>
	(End of month.		Per Quarter (8 bus.)		
Western Australian	23/-	26/-	28/-	27/-	27/6
Manitoba No. 1.	26/-	29/3	33/1 $\frac{1}{2}$	33/1 $\frac{1}{2}$	33/-
Rosafe (Argentine)	21/3	25/4 $\frac{1}{2}$	20/1 $\frac{1}{2}$	20/6	20/6

Present-day prices are altogether out of line with the relationship between wheat supplies and disposal prospects; end-of-season exportable stocks on July 31, 1941 are likely to be about 1,100 m.bus. (enough to supply two years, average peace-time import requirements) yet wheat prices are about 40 per cent. higher than in 1932-33 when stocks were building up to, at that time, an unprecedented level:-

	<u>1930-31.</u>	<u>1932-33.</u>	<u>1937-38.</u>	<u>1940-41.</u>
World end-of-season exportable stocks mill.bus.	499	609	192	1,100
Average price of wheat in Sydney - March per bus.	2s.1 $\frac{3}{4}$ d.	2s.9 $\frac{1}{2}$ d.	4s.1 $\frac{1}{2}$ d.	3s.11 $\frac{1}{4}$ d.

Official control of prices, either by pegging or indirectly in the major exporting countries, is the explanation, and apparently offers some assurance of the maintenance of wheat prices near present levels for some time to come.

Australian Pools. The Australian Wheat Board received 62.2 million bushels of 1940-41 wheat up to Feb.15, 1941, including 16.5 m. bus. in New South Wales. Insufficiency of shipping space is retarding wheat and flour exports, but only South and Western Australia have supplies available for export as wheat, totalling in all about 22 m. bus. About 64 $\frac{1}{2}$ m.bus. of wheat has been reserved for local consumption and for milling in Australia for export as flour. The Board sold 10 $\frac{1}{4}$ m.bus. of wheat between Jan. 1, and Feb. 15, 1941 but of this only 500,000 bus. were for export.

Local Trade. Trading in wheat in Sydney has been very quiet. Wheat has been bought mainly for gristing for local flour. The price for bulk wheat for milling for home consumption was unchanged at 3s.11 $\frac{1}{4}$ d. per bushel, ex trucks, Sydney throughout February, 1941. This is 1 $\frac{3}{4}$ d. a bus. higher than a year earlier, and about 58 per cent. higher than in February, 1939. The course of wheat prices in Sydney in recent years has been:-

PRICES OF BULK WHEAT - SYDNEY.

Monthly Averages - Per bushel, ex Trucks, Sydney. (a)

Excluding bounty and including storage charges when payable.

Season ended Nov.	Av. for Season.	Dec.	Jan.	Feb.	Oct.	Nov.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1933-34	2 9	2 7	2 10	2 7	2 8	2 6
1936-37	5 3	5 4	5 2	5 0 $\frac{1}{2}$	5 3 $\frac{1}{2}$	4 7
1937-38	4 0	4 6	4 6	4 6	2 9 $\frac{1}{2}$	2 7
1938-39	2 5	2 6	2 6	2 6	2 8	2 9 $\frac{1}{2}$
1939-40	(b)	3 5	3 9 $\frac{1}{2}$	3 9 $\frac{1}{2}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$
1940-41	(c)	3 11 $\frac{1}{2}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$		

- (a) Shippers' offers, ex trucks, Sydney. Australian Wheat Board's price for wheat for local flour and small export orders from December, 1939.
- (b) Wheat growers have received about 2s.10d. net. a bushel for silo wheat in No.2 (1939-40) Pool, or about 3s.4d. a bus. Sydney parity. It is possible that a further payment on account of 1939-40 wheat may be made.
- (c) The initial advance on bulk wheat in No. 4 (1940-41) Pool is equivalent to about 2s. 10d. a bus., f.o.r., Sydney, less rail freight or approximately 2s.5d. (net) at country sidings.

Flour. Local flour mills are busy, and are reported still to have export orders to fill. Particulars of flour exported from N.S.W. are not available for publication. The price of flour at wholesale in Sydney has remained unchanged at £12.13s. a ton since Nov.14, 1940. This is inclusive of flour tax at the rate (from Oct.23,1940) of £2.8s.10d. a ton.